

complaint

Mr Y complains that Wise One (UK) Ltd, a mortgage broker, recommended that he take an interest-only mortgage which has proved to be unsuitable, and that he was wrongly advised that he could change to a repayment mortgage after two years.

our initial conclusions

The adjudicator did not recommend that the complaint should be upheld. The recommendation to take an interest only mortgage met Mr Y's needs at the time. It meant he could buy a flat and keep the payments at a manageable level at a time when he had particular expenses to pay. Wise One could not have predicted that subsequently a repayment remortgage would not be available because the value of the property had fallen and lending criteria had changed.

Mr Y disagreed. He said he thought Wise One should have warned him that house prices were going to fall and he should not buy. If they could not have predicted the market, they were wrong to make assurances they could not guarantee.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr Y and Wise One have provided.

The mortgage offer from the lender permits overpayments and confirms that the debt and interest will be recalculated without early repayment charges (except on full repayment within 2 years). I am unable to conclude that Wise One gave misleading or inappropriate advice or that they had a duty to advise Mr Y not to buy the property because house prices were going to fall.

Therefore my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr Y either to accept or reject my decision before 29 October 2013.

Edward Callaghan

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.